



THE BUSINESS ADVOCATE

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A Minimum Wage Guide for Nevada Employers



Increasing the minimum wage has been a hot topic since President Obama proposed raising the federal minimum wage from \$7.25 to \$10.10 per hour in his 2014 State of the Union Address. While the President and his supporters claim that increasing the minimum wage would ultimately benefit the economy, with no associated job loss, opponents of the plan refute those claims and declare an increase would harm small business and result in the loss of hundreds of thousands of jobs.

The debate is likely to move closer to home this spring if a bill, currently being deliberated, is indeed introduced for consideration during the upcoming state legislative session. While those discussions and debates will be taking place in Carson City, and around dinner tables and places of business throughout the state, the Office of the Labor Commissioner continues to implement existing statutes and regulations governing Nevada's minimum wage and overtime.

A recent Supreme Court ruling issued earlier this year clarified who is entitled

to receive minimum wage. In order to help employers avoid the pitfalls and potential penalties associated with noncompliance, we've outlined a few of the basics concerning minimum wage in Nevada. For specific issues or questions not covered, we recommend contacting the Labor Commissioner's Office, referring directly to the language of applicable statutes and regulations or consulting with an attorney familiar with wage and hour laws.

Unique Two-Tiered System

In 2006, Nevada voters gave final approval for an amendment to the Nevada Constitution which permitted employers to pay one dollar less than the minimum wage indexed for inflation if they provided qualified health insurance to their employees. The result was a unique two-tiered minimum wage system.

Each year, at the direction of the Governor, Nevada's Labor Commissioner conducts an annual review of the minimum wage to determine if an increase is required. The wage is adjust-

ed by the amount of increases in the federal minimum wage, or, if greater, by the cumulative increase in the cost of living. A bulletin is published each year on April 1 outlining any changes to the minimum wage to be in effect the following July.

The current minimum wage in Nevada, which was put into effect July 2010, is \$7.25 per hour if an employer offers qualified health benefits, \$8.25 per hour if they do not.

Minimum Wage Exclusions

In addition to a two-tiered system, the Constitutional amendment provided that individuals under the age of 18, those employed by a non-profit for after-school or summer employment and those employed as trainees for a period of not more than 90 days were not entitled to receive minimum wage.

Prior to the amendment, Nevada law provided for other exemptions to the payment of minimum wage, specifically, NRS 608.250 exempted

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ACCESS TO CAPITAL CORNER:

Nevada New Markets Tax Credit Program

What is the Nevada New Market Tax Credit (NMTC) program and how can it help businesses with their capital needs?

In June 2013, the Nevada Legislature passed the Nevada New Markets Jobs Act, which created the Nevada NMTC program. This alternative financing complement to conventional capital sources can fill a gap in a capital stack for businesses in low-income areas. The program is used to assist financing companies with projects that have a total financing need between \$3 - \$10 million. It provides below market interest loans that are approximately 15% - 20% of the allocation amount. For example, an \$8 million project that used an \$8 million NMTC allocation can anticipate approximately \$2 million in subsidized financing.

How does it work?

The Nevada NMTC program is patterned after the Federal NMTC program. A domestic corporation or partnership acting as an intermediary for loan provisions and investments applies to be a federally certified Community Development Entities (CDEs). Several CDEs applied and were allocated a total of \$200 million in Nevada NMTC authority in November 2013. Those CDEs then sold their allocation of tax credits to insurance companies to raise funds that will be loaned and invested. The insurance companies receive a 58% tax credit on their insurance premium taxes over the next seven years.

The CDEs must have a primary mission of investing in low-income communities and persons. Typically, the CDEs use the money they raised from the sale of their tax credit allocation to buy down the interest rate on a loan to a business or leverage a loan from a bank.

For example, on a leveraged loan, a business needs \$8 million to expand their business. The bank will loan them \$6 million and the CDE adds \$2 million in NMTC equity. This NMTC equity is at below-market interest rates and can be forgiven at the end of seven years.

To qualify for a Nevada NMTC deal, a business must be located in a Federal Low-Income Census tract and meet

Federal NMTC requirements. The business also needs to meet Small Business Association size standards.

As of the end of October, one company has received an \$8 million NMTC investment. LV.Net is a Las Vegas-based, multi-service, Internet Service Provider (ISP) of High Speed Internet and Data Centers. The company supplies fiber, licensed microwave, wireless and Wi-Fi to its commercial and residential customer base. With the help of Nevada NMTC, LV.Net will be doubling their number of employees and expect significant growth in their revenue.

In a partnership with the City of Las Vegas, LV.Net provides free Wi-Fi Internet in the downtown redevelopment area. With the NMTC funding, LV.Net is installing fiber throughout that area, upgrading the Wi-Fi services. This will provide LV.Net High Speed Internet over a broader area of the downtown corridor. The company is also expanding its Data Centers to accommodate more colocation services for small to midsize businesses.



"This investment facilitates the acquisition of a building, new equipment and important infrastructure to expand our operations, create jobs and generate revenue for our technology solutions business," said Marty Mizrahi, CEO of LV.Net.

Can my business still apply?

It is not too late to apply for a Nevada New Markets Tax Credit (NMTC) deal. The CDEs must have nearly all of their allocation (85%) invested by December 14, 2014 but there may still be some Nevada NMTC money available after that. The Federal NMTC program has a later deadline and may also have funds available. To learn more, visit <http://business.nv.gov>.

ACCESS TO CAPITAL DIRECTORY

The **Access to Capital Directory** is a comprehensive listing of products and resources available to Nevada businesses.

View online at [http://business.nv.gov/Business/Access to Capital/Access to Capital/](http://business.nv.gov/Business/Access%20to%20Capital/)

STATEWIDE CALENDAR OF EVENTS

For event details, registration instructions and cost, please visit http://business.nv.gov/Business/Event_Calendar

LAS VEGAS

DEC 3,10,17 9:30am	1 Million Cups Work in Progress 317 S. 6th Street, Las Vegas
DEC 4 9:00 am	Intro. To Gov't Contracts Workshop NMI/WBC 550 E. Charleston Blvd, Ste. E, Las Vegas
DEC 9 9:00 am	Community Outreach/ Info. Meeting Office of the Labor Commissioner 555 E. Washington Ave., Ste. 4401, LV
DEC 9 12:00 pm	Business Health Retirement Workshop NMI/WBC 550 E. Charleston Blvd, Ste. E, Las Vegas
DEC 10 8:00 am	Grow Your Business w/ Social Media Microsoft Store– Fashion Show Mall 3200 S. Las Vegas Blvd., Suite 1045, LV
DEC 11 2:00 pm	Start a Business for Under \$2,500 NMI/WBC 550 E. Charleston Blvd, Ste. E, Las Vegas
DEC 16 10:00 am	Physical Health Workshop NMI/WBC 550 E. Charleston Blvd, Ste. E, Las Vegas
DEC 17 9:00 am	Women/Minority Owned Certification Urban Chamber of Commerce 1951 Stella Lake Street, Las Vegas
DEC 18 12:00 pm	Lunch and Learn Marketing Series Urban Chamber of Commerce 1951 Stella Lake Street, Las Vegas
JAN 7* 9:30 am	1 Million Cups Work in Progress 317 S. 6th Street, Las Vegas
FEB 4* 9:30 am	1 Million Cups Work in Progress 317 S. 6th Street, Las Vegas
MAR 4* 9:30 am	1 Million Cups Work in Progress 317 S. 6th Street, Las Vegas

* 1 Million Cups in Las Vegas and Reno meet at the same time, same location every Wednesday unless a cancellation has been announced.

RENO

DEC 3,10,17 9:00 am	1 Million Cups Swill Coffee and Wine 3366 Lakeside Court, Reno
DEC 17 2:00 pm	NCET Drop-In/ Co-Working, Networking Swill Coffee and Wine 3366 Lakeside Court, Reno
JAN 7* 9:00 am	1 Million Cups Swill Coffee and Wine 3366 Lakeside Court, Reno
FEB 4* 9:00 am	1 Million Cups Swill Coffee and Wine 3366 Lakeside Court, Reno
FEB 28	Northwest Women's Money Conference TBD
MAR 4* 9:00 am	1 Million Cups Swill Coffee and Wine 3366 Lakeside Court, Reno

WEBINARS

DEC 4	Future of State Sales Tax Revenue 11:00 am– 12:00 pm
DEC 17	Writing a Winning RFP Response 2:00– 3:00 pm
JAN 14	Government Contracting 101: How To Do Business with the Government 2:00– 3:00 pm
JAN 29	Opportunities and Resources for Veteran-Owned Businesses in Nevada 2:00– 3:30 pm
FEB 11	SAM– Registration and Updates for Federal Government Contracting 2:00– 3:00 pm
MAR 11	Nevada State and Local Government Vendor Registration Databases 2:00– 3:00 pm

News You Can Use

Free Small Business & Nonprofit Legal Clinic to Open

The William S. Boyd School of Law at UNLV is offering an exciting new resource for small businesses and nonprofit organizations in Nevada. Under the close supervision of licensed attorneys, law students at the Small Business and Nonprofit Legal Clinic assist in forming businesses or nonprofit organizations; reviewing and negotiating contracts; assisting nonprofit organizations with tax-exempt applications and maintenance of tax-exempt status; working with federal, state, and local government agencies; and providing advice concerning intellectual property issues.

The Clinic does not charge for legal services, but clients are responsible for any administrative fees associated with the representation such as state filing or licensing fees. As an educational program, Clinic faculty take advantage of every opportunity to teach the students. The practical result of this is that the Clinic is unable to accept projects or client matters that must be resolved within a short time frame. Further, Clinic services are limited to transactional matters. As such, the Clinic does not provide assistance in initiating or defending litigation.

The Clinic is currently accepting applications for clients. If you are interested, please submit a Request for Legal Services Form (<http://www.law.unlv.edu/clinic/sbncform>). Questions? Contact Professor Eric Franklin at eric.franklin@unlv.edu.

New Mircrolender Opens Doors to Financing Opportunities in Nevada

CPLC Préstamos CDFI, LLC (Préstamos) is now available in Nevada promoting business and community development. As a lending agency, Préstamos provides technical assistance, access to business capital, and commercial real estate loans. Préstamos is an affiliate of CPLC Southwest, a provider of first time homebuyer and foreclosure prevention services in Las Vegas for the last four years.

Why Préstamos? Préstamos helps build stronger communities by providing entrepreneurs with access to capital through nontraditional financing resources for startups and existing businesses. Préstamos supports small business owners who face barriers to securing credit from traditional lending institutions due to smaller loan requests; a greater need for flexible underwriting; or help meeting underwriting standards. By coupling small business loans with technical assistance and small business development services, Préstamos guides aspiring entrepreneurs and small business owners through every stage of the loan process.

Loans are provided for working capital, machinery or equipment, inventory or supplies, furniture or fixtures, and commercial real estate. Loan products include: Micro Enterprise Loans (up to \$50,000), Small Business Loans (\$50,000 - \$500,000), and Commercial Real Estate (\$500 - \$10 Million). For more information, please contact Albert Delgado at (702)207-1614 or visit their office at 2685 Pecos McLeod, Las Vegas, NV 89121.

Secure Equal Opportunity in Business

Funded through the U.S. Department of Transportation (USDOT), the federal Disadvantaged Business Enterprise (DBE) program helps businesses classified as small, woman-owned or disadvantaged to compete in a fair, competitive environment right alongside larger corporations. In an effort to eliminate inequalities, each state's Department of Transportation administers the DBE program with one DBE officer presiding as a liaison officer. In Nevada, Yvonne Shuman and her staff are dedicated to help eligible businesses become DBE-certified so they can become part of the Nevada Unified Certification Program and bid on federally funded highway construction and other projects.

Any industry qualifies for certification. There are three qualifying factors used to determine eligibility for DBE certification: gross receipts, control-ownership and personal net worth. When you are certified in Nevada with NDOT, you will also be certified with the Regional Transportation Commissions of Washoe and Clark counties as well as airport authorities in Las Vegas and Reno—hence, the [Nevada Unified Certification Program](#) (NUC).

Not all projects up for bid are highway construction related. Other project types could include right-of-way services (buying land to put highways on), demolition, property appraisals to estimate value on land, consulting services or graphic/web design.

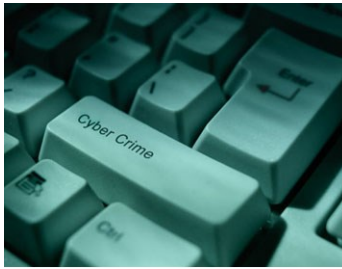
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Nevada Department of Transportation (NDOT) also offers free training opportunities to DBE-certified firms via the Nevada Small Business Development Center. For information, please visit the DBE Program website at www.nevadadot.com/NevadaDBE/DBE_Program.aspx. Broaden your business opportunities. Apply for your DBE certification today.

Protect your Business this Holiday Season from Hackers and Cyber Criminals

All too often, small businesses are easy prey for Hackers and Cyber criminals. Now that the holiday season is upon us, cyber criminals may be increasing their activity, and your business may very well be their next target. Unfortunately, there is a common misconception amongst small business owners that they are too small or insignificant to be a target of such sophisticated attacks and that these criminals are only interested in attacking large institutions.

This false sense of security is exactly why many cyber criminals may be focusing on businesses just like yours this holiday season. Simply put, you are an easier target. These cyber criminals are very sophisticated. They simply create programs to scan and attack numerous vulnerabilities across thousands of websites every day. This results in thousands of small business owners' websites being compromised daily.



What can you do now to help prevent hackers from gaining access to your website, bank accounts, and customer data?

- 1. Change Your Passwords:** Hackers now use sophisticated programs that can attempt to log into your website, email, and other sensitive accounts. These programs can process thousands of passwords in the blink of an eye. Having a password that is a minimum of 8 characters that uses a combination of upper and lowercase letters, numbers and symbols make your password much more secure.
- 2. Use Different Passwords for Different Sites:** This one is quite obvious. If you use the same password across all of your sites and the criminal gains access to one. It's like giving him the access to them all.
- 3. Make Sure Your Website is up to Date:** Most websites use third party software to allow them to perform properly. Updates usually patch known security vulnerabilities.
- 4. Update your Internet Browser:** Out of date Internet browsers are often preferred targets for cyber criminals to gain entry to your data.
- 5. Use Antivirus Software:** These programs constantly scan your computer, emails, and software for malicious attacks. Anti-Virus is important, even for Mac users. There has been an increase in attacks on the Mac platform due to its increasing popularity.

Stormie Andrews is founder of Yokel Local in Las Vegas, an Internet Marketing Services firm. Please visit their website at www.yokelllocal.com.



Cheryl Thode
Solutions Provider
All About Marketing Solutions
info@AllAboutMarketingSolutions.com
(702) 525-5079

Q: How can social media help my business?

A: Social Media is here to stay! If you are sitting on the bench, I encourage you to jump in, the water's warm. For your business to be successful, social media needs to be part of your marketing plan in 2015. Here are 4 ways a small business will benefit from social media marketing.

- 1. Extend Your Reach.** Social Media will introduce you to people outside your circle. It delivers worldwide exposure to countless daily users. Studies have shown that interacting regularly and consistently will build connections that provide business opportunities.
- 2. Build Relationships.** We do business with people we know, like and trust. These relationships promote repeat business and word-of-mouth referral leads, the best kind! Connecting with customers, sharing your experience and being a trusted source of valuable information develops your business community. This sense of community creates a loyal following for your company.
- 3. Reputation Management.** Use social media to monitor and actively respond to online mentions about your company. Immediately address any positive or negative customer comments. Build credibility, show readers that you're responsive to their needs.
- 4. Cost Effective.** You don't need a marketing department or agency to advertise with social media, it's a do-it-yourself model with professional results. There is no cost to set up your profile pages. Attend our free seminars for best practices, content tips and scheduling suggestions.

Don't get left behind, join the conversations, get noticed, boost sales and manage your brand with effective, affordable social media tools. Your next prospect could come from social media.

Have a question for one of our guest experts?
Email cfoley@business.nv.gov.



RESOURCE ORGANIZATION SPOTLIGHT: RURAL NEVADA DEVELOPMENT CORPORATION

The Rural Nevada Development Corporation (RNDC) is a non-profit CDFI formed in 1992 to serve the fifteen rural counties and the twenty-seven Native American tribes of Nevada. RNDC provides small business loans to businesses that do not meet bank underwriting thresholds. RNDC offers the bank the right of first refusal as to not compete. The goal for the RNDC is to get the borrower from non-bankable to bankable in a reasonable amount of time.

As a lender of last resort, RNDC serves start-up and existing businesses that want to grow and expand in order to fuel industrial and commercial growth in the rural communities throughout the state. We can do stand alone deals or partner with other agencies/lenders that require gap financing including wholesale, retail, manufacturing, and service industries that are essential but lacking in these communities. Our goal is to generate quality jobs and tax revenues, to provide essential services to our communities, and to provide our borrowers with affordable capital and quality technical assistance.

RNDC has two programs. Rates and fees are based on financial risk and collateral. The interest rate charged to an ultimate recipient would not be less than 6% and no more than 12%. We can lend for up to 25 years.

Small Business Loans between \$50,000 and \$250,000 to purchase equipment or other fixed assets, to finance working capital, to acquire a business, and to refinance higher interest debt if there is sound economic justification to start-ups and existing businesses. Our loans may be subordinated to induce bank financing and participations.

Microloans between \$500 - \$50,000 to purchase equipment or other fixed assets and to finance working capital. We will lend for up to ten years, but we prefer to keep it under seven. Our Microloan program is funded by USDA (RMAP).

CONTACT RNDC

1320 E. Aultman Street in Ely, NV 89301

toll free: 866-404-5204

www.rndcnv.org

Mary Kerner, Lending Administrator- mary@rndcnv.org.



RNDC Helps Bring Pizza Factory Franchise to Ely

A family decided they wanted quality pizza available in the White Pine County area. Harwinder Singh, Jaswinder Pal Singh and Harvarinderjit Chahal put their heads together and with a lot of hard work, dedication and monumental backing from the community, the Pizza Factory opened. The guys initially leased the building and set forth on a giant task of retrofits, upgrades and health inspections. They had a bank in place to do the permanent financing on the building, however timing was an issue and they needed a short term bridge loan to secure the option to purchase. With an RNDC loan, they were able to do so. They are open every day of the week and busy every day as well. They employ 17 people in the small rural community. They opened in mid-August and have doubled the projections they initially prepared with the assistance of the franchisor. They are grateful to the community for their support!



L to R: Mary Kerner, RNDC Lending Administrator, Harvarinderjit Chahal and Harwinder Singh, owners of the Pizza Factory – Ely.

Minimum Wage, continued

six categories of individuals: (1) casual babysitters; (2) domestic service employees who reside in the household; (3) outside salespersons whose earnings are based on commissions; (4) certain agricultural employees; (5) taxicab and limousine drivers; and (6) certain persons with severe disabilities.

While the constitutional amendment did not directly conflict with the exemptions outlined in NRS 608.250, its passage created some uncertainty. It was this uncertainty that the Nevada Supreme Court addressed this past summer in *Thomas v. Nevada Yellow Cab*, 130 Nev. Adv. Op. 52 (2014). In its opinion, the Nevada Supreme Court found that exemptions outlined in the Nevada Constitution supersede the exemptions previously provided for in NRS 608.250. The only individuals who are exempt from the payment of minimum wage, according to the Nevada Supreme Court, are those specifically outlined in the constitutional amendment.

What does this decision mean for Nevada's employers? It means that employers who have previously relied on the exemptions outlined in NRS 608.250 will be mandated to pay minimum wage to individuals not specifically exempted in the Nevada Constitution.

"Qualified" Health Insurance

State law outlines what is required of health insurance provided by an employer to be considered "qualified" in order to pay the lower tier minimum wage to their employees. Among other requirements outlined in NAC 608.102, including coverage for certain health care expenses, the cost of the premium for the health insurance plan paid by the employee must not exceed 10 percent of the gross taxable income of the employee paid by an employer. In addition, the insurance must be made available to the employee's dependents and the waiting period cannot exceed 6 months.

If an employer does not offer a health insurance plan, or the health insurance plan is not available or not provided within 6 months, the employee must be paid at least minimum wage until the employee is eligible or the plan become available. An employer is required to maintain documentation in the event that an employee declines qualified health insurance.

The passage and implementation of the Affordable Care Act, a federal health insurance mandate outside of Nevada's jurisdiction, adds an additional burden on employers related to offering health insurance benefits to employees. Although it is likely that an employer offering a qualifying plan under the Affordable Care Act will often also qualify to pay the lower minimum wage rate, a separate analysis under Nevada law and the Act should be done to ensure compliance with the requirements under both.

Regulatory Review

Rulemaking workshops were conducted earlier this year to solicit comments on Nevada's unique minimum wage structure and give the public an opportunity to provide input on existing regulation to ensure the best interest of Nevada's workers. Testimony provided at the initial workshops and any workshops that may be conducted in the future will assist the Labor Commissioner in determining if an amendment to the existing regulations should be proposed. Until that formal process concludes, one thing is clear: a little education will go a long way to ensure Nevada's employers are familiar with their obligations and responsibilities to their employees under law.

Minimum Wage Resources

Statutes and regulations governing minimum wage

NRS 608- www.leg.state.nv.us/NRS/NRS-608.html

NAC 608- <http://www.leg.state.nv.us/NAC/NAC-608.html>

2014 Minimum Wage Bulletin

www.laborcommissioner.com/min_wage_overtime/2014%20Annual%20Bulletin%20-%20Minimum%20Wage.pdf

Supreme Court Advisory Opinion

www.leg.state.nv.us/division/legal/weblawcd/SCop/130/130NevAdvOpNo52.html

Nevada Office of the Labor Commissioner

www.laborcommissioner.com

New Statewide Housing Locator Tool Now Available

This fall, the Nevada Housing Division introduced a statewide service to help Nevadans find and fill rental vacancies. **NVHousingSearch.org** is free to list and search for all types of rental housing, including affordable, accessible, subsidized and assisted-living units as well as market-rate rentals. To ensure maximum access to housing information, the service is available both online and through a live, toll-free, multilingual call center.

This resource can be a useful tool for employers seeking to provide relocation resources and information to prospective employees.

NVHousingSearch.org keeps listings up to date, which means that the detailed rental data generated by NVHousingSearch.org stays current. Currently, 23,000 Nevada rental units are listed on NVHousingSearch.org, a number that continues to increase as word of the service reaches across the state. An influential advisory board made up of housing professionals who serve across the housing continuum meets quarterly to help drive the service and make sure its goal to connect Nevadans with the housing they need is consistently met across the state.

Data from NVHousingSearch.org will paint a comprehensive picture of existing rental housing stock in Nevada, as well as how effectively housing needs are being met, especially among populations with special housing requirements. Other initiatives, such as disaster preparedness and raising awareness of Fair Housing law, can be addressed by NVHousingSearch.org, which now features links and contact information for regional Fair Housing resources. Future projects include creating an online inventory of all accessible housing units in Nevada.

Housing providers can add unlimited listings at no charge. NVHousingSearch.org offers a good mix of large, multifamily properties and privately owned, "mom'n'pop" units, including single family houses. Tenants search for housing based on specific need, meaning they can more easily identify housing opportunities that they qualify for.

"Thousands of people each month are already searching NVHousingSearch.org for housing. That number will continue to grow as awareness of NVHousingSearch.org expands," said NHD administrator CJ Manthe. "Property owners or landlords can fill their vacancies more quickly, and tenants can find housing that fits their specific needs. It's a win-win for Nevada communities."



State of Nevada Department of Business & Industry

Bruce Breslow, Director
Ash Mirchandani, Deputy Director, Programs
Terry Reynolds, Deputy Director, Administration
Shannon Chambers, Chief Financial Officer

555 E Washington Avenue, Suite 4900
Las Vegas, NV 89101

1830 College Parkway, Suite 100
Carson City, NV 897106

biinfo@business.nv.gov

Production Team

Carrie Foley
Linda Gooley
Teri Williams

The Business Advocate is a publication of the Nevada Department of Business and Industry. The Business Advocate welcomes ideas and suggestions to make this publication as relevant and useful to readers as possible. Questions or concerns about content of The Business Advocate may be addressed to: Teri Williams, Department of Business and Industry, 555 E. Washington Ave., Suite 4900, Las Vegas, NV 89101.

Please email subscription requests to
twilliams@business.nv.gov



(702)486-2750
(775)684-2999



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